

RAILWAY BUDGET : 1998-99

The Railway Budget for 1998-99 (Final) was presented to the Parliament on May 29, 1998⁺. The Budget lays major emphasis on efficient utilisation of resources, restraining the growth in working expenses, prioritisation of expenditure and enhancement in investment. The Budget has estimated a surplus of Rs. 1,206 crore at the existing rates of passenger fares and freight. The Budget has proposed increase in passenger fares and rate adjustments in freight which would generate additional resources to the tune of Rs. 450 crore. After reckoning for the estimated yield from the additional resource mobilisation (ARM), the surplus would increase to Rs. 1,656 crore during 1998-99 as compared to Rs.1,470 crore in 1997-98^{**}. The major factor, which contributed to the improvement in Railway resources is the sharp reduction in appropriation to pension fund to Rs. 2,218 crore as against an allocation of Rs. 3,367 crore in 1997-98 on account of enhancement of retirement age from 58 to 60 years. This would improve the generation of internal resources which would be utilised for financing the increased Plan outlay.

The Budget has proposed several measures to infuse new direction to investments in Railways during 1998-99 and strived to keep up the momentum in the Plan investment. The Plan outlay for 1998-99 has been stepped up to Rs.9,500 crore showing an increase of 13.1 per cent over the level of 1997-98 (Rs.8,403 crore). The higher Plan outlay would be financed by increased internal resources, higher budgetary support and an increase in market borrowings. The internal resources for financing Plan outlay are estimated at Rs. 4,400 crore which would finance 46.3 per cent of the Plan outlay. The total borrowing by the Indian Railways Finance Corporation (IRFC) is projected to be Rs.2,665 crore in 1998-99 as against Rs.2,520 crore in 1997-98.

The overall financial operations of the Railways as manifested by the high operating ratio, show deterioration in the working expenses. The operating ratio (i.e., working expenses as ratio to gross traffic receipts) is estimated at 91.2 per cent as compared with that of 91.0 per cent in 1997-98 and 5 percentage points higher than the level of 1996-97. The return on capital investments (i.e., net Railway revenue as a ratio to capital-at-charge and investment from Capital Fund) in 1998-99 is projected higher at 9.3 per cent as compared with that of 8.9 per cent in 1997-98, but much lower than 11.7 per cent in 1996-97.

The major concerns, as highlighted in the Budget, are a fall in the market share of the Railways and a decline in investments. According to the Status Paper on Indian Railways ([Box I](#)) released by the Railways, market share of both freight and passenger traffic, has declined from 89 per cent and 80 per cent, respectively in 1950-51 to 40 per cent and 20 per cent at present. Modernisation and development of Railways has not been adequate due to the decline in capital support from the General Exchequer, which had supported Railway development considerably during the initial years of planned development and also the inherent limitations of the Railways to generate adequate internal resources. With the result, during the last 12 years, Railways dependence on borrowed funds has increased considerably. Railways being both a commercial venture and a public utility service, investments are often undertaken on projects which are economically unviable but socially desirable. According to the White Paper on Railway Projects presented to the Parliament on July 28, 1998, the Railways have to bear a burden of Rs. 1,800 crore on account of operating losses on passenger services, movement of selected essential freight commodities and unremunerative branch lines to fulfill social obligations, such as, carrying passengers and goods below cost. The operating expenses are secularly rising on account of the steady increase in input costs, without a commensurate increase in fares and freight rates. In the last four decades, costs of inputs have gone up 16 times while freight increases were only 10 times and passenger fares only 7 times. Further, the implementation of the recommendations of the Fifth Pay Commission has increased the staff wages to over 56 per cent of the total working expenses.

The following paragraphs present a detailed analysis of the financial position of the Railways as presented in the 1998-99 Railway Budget. Section II presents the major highlights of the 1997-98 revised estimates. Section III provides the main features of 1998-99 budget estimates and concluding observations are set out in Section IV.

Section II

Revised Estimates : 1997-98

During 1997-98, the Railways were able to achieve most of the physical and financial targets envisaged in the budget estimates. The Railways carried 430 million tonnes of originating revenue earning traffic, achieving the freight traffic target set for 1997-98. The Plan outlay of Rs. 8,300 crore for the year has been exceeded by Rs. 103 crore to Rs. 8,403 crore. There was also an improvement in financial performance which is reflected in operating ratio declining to 91.0 per cent from the budget estimates of 91.4 per cent. The return on capital investment, however, remained unchanged at 8.9 per cent (Table A).

The gross traffic receipts in the revised estimates at Rs.28,655 crore turned out to be 2.9 per cent (+ Rs.800 crore) higher over the budget estimates (Statement 1). This was contributed by a growth of 6.0 per cent in passenger earnings and 2.9 per cent in goods earnings. On the expenditure side, there was a reduction in both ordinary working expenses and appropriation to Depreciation Reserve Fund over the budget estimates, while the appropriation to Pension Fund was enhanced by 53.0 per cent (Rs.1,167 crore) following the implementation of the Fifth Pay Commission recommendations. The contribution to general revenues was lower at Rs. 1,546 crore as against Rs. 1,630 crore provided in the budget estimates. As a result of the improvement in gross traffic earnings, particularly from passenger earnings, reduction in ordinary working expenses and also reduced payment to General Revenue, the overall surplus increased to Rs. 1,470 crore as compared with Rs. 1,374 crore in the budget estimates. The entire increase in surplus was appropriated to the Capital Fund, while the appropriation to the Railway Development Fund was retained at the budgeted level of Rs. 350 crore. The Plan outlay was raised to Rs.8,403 crore from Rs.8,300 crore in the budget estimates.

Financial Impact of Social Obligations

As a public utility, the Railways incur losses in the discharge of several social obligations such as, transportation of essential commodities at concessional rates, unremunerative branch lines, sub-optimal fares for some passengers and coaching services, etc. The losses incurred by the Railways on account of its social obligations recorded a sharp rise to Rs. 4,246 crore in 1997-98 as against Rs. 2,888 crore in 1996-97 (Table B). Loss on account of coaching services amounted to Rs. 4,173 crore or 98.3 per cent of total losses, while the loss on low-rated freight commodities was Rs.73.2 crore (1.7 per cent). Thus the losses on account of social obligations continued to rise, accounting for 16.2 per cent of total expenditure in 1997-98 as compared with 11.5 per cent and 13.6 per cent in 1995-96 and 1996-97, respectively.

Table A: Some Major Financial Ratios of Railways

Items	Operating Ratio	Net Railway Revenue as % of Capital-at-Charge and Investment from Capital Fund	(Per cent)
			Additional Resource Mobilisation as % of Plan Outlay @
(1)	(2)	(3)	(4)
1990-91	92.0	6.9	17.8
1991-92	89.5	8.7	11.0
1992-93	87.4	9.7	24.0
1993-94	82.8	13.7	28.4
1994-95	82.6	15.3	15.3
1995-96	82.5	15.2	10.0
1996-97	86.2	11.7	11.4
VIII Plan Avg.	84.3	13.1	17.8
1997-98(RE)	91.0	8.9	21.7
1998-99(BE)	91.2	9.3	4.7

@ Figures pertain to Budget Estimates.
Source: Railway Budgets, various years.

Table B : Financial Impact of Social Obligations

(Rs.crore)

Items	1995-96 (Actuals)	1996-97 (Actuals)	1997-98 (Revised Estimates)
(1)	(2)	(3)	(4)
1. Loss on coaching services (suburban and non-suburban passenger Traffic, parcel, luggage etc.)	2,106.3 (98.0)	2,816.2 (97.5)	4,172.8 (98.3)
2. Loss on low-rated freight like foodgrains, fodder, Charcoal firewood, fruits, vegetables, etc.	43.1 (2.0)	71.5 (2.5)	73.2 (1.7)
3. Total (1+2)	2,149.4 (100.0)	2,887.7 (100.0)	4,246.0 (100.0)
4. Receipts including miscellaneous receipts	22,813.9	24,801.3	29,188.1
5. Expenditure including miscellaneous Expenditure	18,678.8	21,176.8	26,172.5
6. Percentage of item (3) to item (4)	9.4	11.6	14.5
7. Percentage of item (3) to item (5)	11.5	13.6	16.2

Note : Figures in brackets represent percentages to total.

Source : 1) Indian Railway Year Book, 1996-97.
2) Explanatory Memorandum on the Railway Budget, 1998-99

Section III Budget Estimates : 1998-99

The Budget for 1998-99, after taking into account the ARM of Rs. 450 crore, would show an overall surplus of Rs.1,656 crore as compared with that of Rs.1,470 crore in 1997-98. The budget has assumed a moderate growth of 9.8 per cent in gross traffic receipts as against 17.8 per cent recorded in 1997-98. Total working expenses are also expected to increase by 9.6 per cent in 1998-99 as against a rise of 23.4 per cent in 1997-98.

Gross Traffic Receipts

The gross traffic receipts during 1998-99 are estimated at Rs.31,472 crore, reflecting an increase of Rs.2,817 crore (9.8 per cent) over 1997-98 (Statement 1). The earnings from passenger traffic would go up by Rs.834 crore (11.1 per cent). The Budget has assumed an increase of Rs.1,800 crore (9.1 per cent) in freight earnings. The originating revenue earning freight traffic is expected to touch the level of 450 million tonnes in 1998-99 as against 430 million tonnes in 1997-98 (Statement 4). Besides this, it is expected that average lead of goods traffic would go up from 670 km. to 685 km. As a result, the total tonnes-km. would go up from 288 billion TKMS in 1997-98 to 308 billion TKMS in 1998-99. The receipts from passenger traffic are budgeted to show a growth of 11.1 per cent in 1998-99 as against a rise of 13.6 per cent in 1997-98. The ARM mainly through the revision in passenger fares and through small adjustments in freight rates ([Box II](#)), is expected to yield Rs.450 crore as against Rs.1,800 crore in 1997-98.

Working Expenses

The aggregate working expenses of Railways estimated at Rs.28,411 crore would show a growth of 9.6 per cent over 1997-98 (Statement 1). The moderation in growth in working expenses is on account of a sharp reduction of Rs.1,149 crore in appropriation to Pension Fund resulting from enhancement in the retirement age. Ordinary working expenses, which account for over 80 per cent of total working expenses, would show a growth of 14.9 per cent in 1998-99 as against 27.6 per cent in 1997-98. The Budget also envisages a moderate growth of working expenses through prudence in spending in the areas of construction activity and purchase of material. Of the total increase in ordinary expenses, repairs and maintenance would account for 25.7 per cent (Rs. 790 crore), traffic expenses 26.0 per cent (Rs.797 crore), fuel 17.0 per cent (Rs. 521 crore) and operating expenses 16.3 per cent (Rs.499 crore) (Statement 2). A qualitative improvement in the working expenses is reflected in a significant rise in appropriation to Depreciation Reserve Fund (29.9 per cent) which is used for replacement and renewal of assets. The operating ratio would go up marginally from 91.0 per cent in 1997-98 to 91.2 per cent in 1998-99

Net Financial Results

The net traffic receipts are budgeted to be higher at Rs. 3,061 crore in 1998-99 as against Rs. 2,733 crore in 1997-98. The net revenues would also be higher at Rs.3,433 crore in 1998-99 as compared with Rs.3,016 crore in 1997-98. The ratio of net revenue to capital-at-charge and investment would go up to 9.3 per cent from 8.9 per cent last year. Contribution to General Revenues is placed higher at Rs.1,777 crore in 1998-99 as against Rs.1,546 crore in 1997-98. The higher surplus of Railways would be utilised towards enhanced contribution to Capital Fund and Development Fund.

Annual Plan of Railways

Keeping in view the growing investment requirements of the Railways, the size of Annual Plan for 1998-99 has been set higher at Rs.9,500 crore, reflecting a growth of 13.1 per cent over Rs.8,403 crore in 1997-98 (Statement 3). In the allocation of investment funds, priority would be given to augmentation and upgradation of rolling stocks and track renewals, which would together account for 67.9 per cent of total Plan outlay. New lines and doubling of lines would account for 10.6 per cent and electrification 3.6 per cent of Plan outlay.

On the financing side, the internal resources would finance 46.3 per cent of total Plan outlay, which is higher than 40.7 per cent in 1997-98 (Table C). As the Railways are not getting adequate response from private investors, the private investment in 1998-99 is budgeted to finance only 2.5 per cent of Plan outlay (Rs.235 crore) as against 5.5 per cent (Rs.463 crore) in 1997-98 (Table D). The share of budgetary support and market borrowings as financing items would decline to 23.2 per cent and 28.0 per cent, as against 23.8 per cent and 30.0 per cent, respectively, during 1997-98. The borrowings of Railways from the market, raised by the Indian Railways Finance Corporation (IRFC), would amount to Rs.2,665 crore as compared with Rs. 2,520 crore in 1997-98.

Table C: Financing Pattern of Plan Outlays for Railways

(Per cent)

Year	Budgetary Support	Market Borrowings	Internal Resources	Private Investment
(1)	(2)	(3)	(4)	(5)
1990-91	27.3	22.7	50.0	-
1991-92	32.6	27.9	39.5	-
1992-93	42.0	16.6	41.4	-
1993-94	16.4	14.6	69.0	-
1994-95	20.6	15.3	64.1	-
1995-96	17.8	15.2	64.9	2.1
1996-97	17.6	23.5	53.7	5.2
1997-98 (RE)	23.8	30.0	40.7	5.5
1998-99 (BE)	23.2	28.0	46.3	2.5

Source: Railway Budget, various issues.

Table D: Market Borrowings

	(Rs. Crore)		
	1996-97	1997-98 (RE)	1998-99 (BE)
(1)	(2)	(3)	(4)
1. IRFC	1954	2520	2665
2. OYWS	235	155	134
3. BOLT	235	308	101

Source: Explanatory Memorandum on the Railway Budget, 1998-99.

Section IV Concluding Observations

The Railways are the lifeline of the Indian economy. They are the country's prime carrier of both freight and passenger traffic. It is imperative that Railways develop and expand adequately through modernisation and adoption of new technology to meet the growing needs of the economy. The expansion and development of Railways, however, require heavy investments. In the initial years of planned development, Railways were provided large financial support. As the finances of Central Government are presently under stress, the Central Government is not in a position to extend large capital support to Railways. The Railways have, therefore, resorted to market borrowings in the last few years, at market related interest rates; with the result, debt servicing has become a burden. The lease charges paid by the Railways to the IRFC are equal to total borrowings. The Railways have also started exploring the feasibility of inviting private investments. However, the private sector response is not very encouraging. The Railways have large throw-forward projects and at the present level of investments, the completion of these projects would take several years.

Nevertheless, the Railways have to improve efficiency and productivity by efficient utilisation of its assets, modernisation and introduction of new technology. The Railways also face competition from other modes of transportation and over the years, have lost a sizeable market share. The Railways have to formulate a strategy to regain its share in freight and passenger traffic to some extent. The Budget for 1998-99 has taken steps to reduce cross

subsidisation by effecting increases in passenger fares while keeping the freight rates unchanged.

The operating ratio for 1998-99 is estimated at 91.2 per cent which is 5 percentage points higher than the ratio of 86.2 per cent in 1996-97. After the implementation of the recommendation of the Fifth Pay Commission, the staff costs account for more than 56 per cent of working expenses. Railways should give high priority to bring down the operating ratio for effecting improvement in Railway finances.

*** Prepared in the Division of Fiscal Analysis of the Department of Economic Analysis and Policy.**

+ Interim Budget was presented to the Parliament on March 25, 1998, seeking only a Vote-on-Account.

**** All references to 1997-98 relate to revised estimates unless otherwise stated.**

STATEMENT 1: FINANCIAL RESULTS OF RAILWAYS

Items	(Rs. crore)											
	1996-97 (Actuals)	1997-98 (Budget Estimates)	1997-98 (Revised Estimates)	1998-99 (Budget Estimates)	Variations				Compound Growth VIII Plan (1992-93 to 1996-97)	Variations		
					Col. 4 over Col. 3		Col. 4 over Col. 2			Col. 5 over Col. 4		
					Amount	Per cent	Amount	Per cent		Amount	Per cent	
2	3	4	5	6	7	8	9	10	11	12		
I. Gross Traffic Receipts (a to d) *	24319.4	27855.0	28655.0	31472.0	800.0	2.9	4335.6	17.8	12.1	2817.0	9.8	
			(26055.0)	(31022.0)								
a) Passengers Earnings	6633.2	7106.0	7534.4	8368.0	428.4	6.0	901.2	13.6	12.5	833.6	11.1	
b) Goods Earnings	16668.2	19322.0	19885.9	21686.0	563.9	2.9	3217.7	19.3	12.0	1800.1	9.1	
c) Sundry Other Earnings (including Suspense)	454.8	835.0	633.6	780.0	-201.4	-24.1	178.8	39.3	19.8	146.4	23.1	
d) Other Coaching Earnings	563.2	592.0	601.1	638.0	9.1	1.5	37.9	6.7	7.2	36.9	6.1	
II. Total Working Expenses (a to c)	21000.8	25135.0	25922.0	28411.0	787.0	3.1	4921.2	23.4	11.1	2489.0	9.6	
a) Ordinary Working Expenses	16185.8	20935.0	20651.0	23720.0	-284.0	-1.4	4465.2	27.6	11.9	3069.0	14.9	
b) Appropriation to Depreciation Reserve Fund	2200.0	2000.0	1904.0	2473.0	-96.0	-4.8	-296.0	-13.5	1.9	569.0	29.9	
c) Appropriation to Pension Fund	2615.0	2200.0	3367.0	2218.0	1167.0	53.0	752.0	28.8	17.3	-1149.0	-34.1	
III. Net Traffic Receipts(I-II)	3318.6	2720.0	2733.0	3061.0	13.0	0.5	-585.6	-17.6	19.9	328.0	12.0	
			(920.0)	(2611.0)								
IV. Net Miscellaneous Receipts(a-b)	305.9	283.7	282.6	372.1	-1.1	-0.4	-23.3	-7.6	8.8	89.5	31.7	
a) Total Miscellaneous Receipts \$	481.9	543.2	533.1	636.3	-10.1	-1.9	51.2	10.6	4.6	103.2	19.4	
b) Total Miscellaneous Expenditure \$\$	176.0	259.5	250.5	264.2	-9.0	-3.5	74.5	42.3	-0.8	13.7	5.5	
V. Net Railway Revenue(III+IV)	3624.5	3003.7	3015.6	3433.1	11.9	0.4	-608.9	-16.8	18.7	417.5	13.8	
			(1203.7)	(2983.1)								
VI. Payment to General Revenue @	1507.5	1629.7	1545.6	1777.3	-84.1	-5.2	38.1	2.5	7.9	231.7	15.0	
VII. Deferred Dividend Liability Fund	-	-	-	-	-	-	-	-	-	-	-	
VIII Surplus(+)/ Deficit(-)	2117.1	1374.0	1470.0	1655.9	96.0	7.0	-647.1	-30.6	37.2	185.9	12.6	
		(-426.0)		(1205.9)								
IX. Appropriation to (+)/withdrawal from(-)												
a) Railway Development Fund	314.2	350.0	350.0	475.0	-	-	35.8	11.4	-6.3	125.0	35.7	
b) Capital Fund	1802.9	1024.0	1120.0	1180.9	96.0	9.4	-682.9	-37.9		60.9	5.4	
X. Operating Ratio (per cent)	86.2	91.4	91.0	91.2								
XI Capital-at-charge **	23474.7	25197.3	25323.9	27273.6	126.6	0.5	1849.2	7.9	5.8	1949.7	7.7	
XII Net Railway Revenue as Percentage of Capital-at-charge and Investment from Capital Fund-Railways #	11.7	8.9	8.9	9.3								

* Includes receipts of worked lines.

** Excludes Capital outlay on Metropolitan Transport Projects and disinvestment of share of CONCOR (Rs. 2.0 crore) and IRCON (Rs. 13.0 crore) during 1995-97. Includes Rs. 444.5 crore (1995-96) and Rs. 93.5 crore (1996-97) of TWFA from Capital Fund to capital.

\$ Includes mainly receipts from subsidised companies, surcharge on passengers, subsidy from General Revenue towards dividend relief and other concessions.

\$\$ Includes mainly expenditure on subsidy, payment to worked lines, surveys, Open Line Works Revenue and Appropriation to Accident Compensation, Safety and Passenger Amenities Fund.

Ratio based on net Revenue before payment of dividend to General Revenues.

@ Includes dividend to General Revenues, Payment-in-lieu of passenger fare tax and contribution to Railway Safety Works Fund.

Note : Figures in brackets exclude Additional Resource Mobilisation of Rs 1,800 crore proposed in the budget for 1997-98 and Rs. 450 crore proposed in 1998-99 Budget.

Source: Explanatory Memorandum on the Railway Budget,1998-99.

STATEMENT 2 : ORDINARY WORKING EXPENSES

Items	(Rs. crore)											
	1996-97 (Actuals)	1997-98 (Budget Estimates)	1997-98 (Revised Estimates)	1998-99 (Budget Estimates)	Variations				Compound Growth VIII Plan (1992-93 to 1996-97)	Variations		
					Col. 4 over Col. 3		Col. 4 over Col. 2			Col. 5 over Col. 4		
					Amount	Per cent	Amount	Per cent		Amount	Per cent	
2	3	4	5	6	7	8	9	10	11	12		
Total Ordinary Working Expenses (a to h)	16185.8	20935.0	20651.0	23720.0	-284.0	-1.4	4465.2	27.6	11.9	3069.0	14.9	
a) General Superintendence and Services	837.1 (5.2)	1206.9 (5.8)	1148.5 (5.6)	1297.9 (5.5)	-58.4	-4.8	311.4	37.2	11.1	149.4	13.0	
b) Repairs and Maintenance	5511.9 (34.1)	7217.0 (34.5)	7012.1 (34.0)	7802.3 (32.9)	-204.9	-2.8	1500.2	27.2	10.0	790.2	11.3	
c) Operating Expenses (Traffic)	3196.7 (19.7)	4297.0 (20.5)	4267.0 (20.7)	5064.4 (21.3)	-30.0	-0.7	1070.3	33.5	14.1	797.4	18.7	
d) Operating Expenses (Fuel)	3725.3 (23.0)	4438.0 (21.2)	4536.9 (22.0)	5057.8 (21.3)	98.9	2.2	811.6	21.8	13.6	520.9	11.5	
e) Operating Expenses (Rolling Stock and Equipment)	1504.2 (9.3)	1872.4 (8.9)	1868.6 (9.0)	2367.8 (10.0)	-3.8	-0.2	364.4	24.2	12.2	499.2	26.7	
f) Staff Welfare and Amenities	678.7 (4.2)	882.1 (4.2)	879.7 (4.2)	997.4 (4.2)	-2.4	-0.3	201.0	29.6	12.6	117.7	13.4	
g) Suspense	3.7 (-)	-11.2 (-)	-37.8 (-0.2)	-47.6 (-0.2)	-26.6	-	-41.5	-	-	-9.8	25.9	
h) Others \$	728.2 (4.5)	1032.8 (4.9)	976.0 (4.7)	1180.0 (5.0)	-56.8	-5.5	247.8	34.0	9.7	204.0	20.9	

\$ Includes miscellaneous working expenses, Provident Fund, Pension and Other Retirement Benefits.

Note : Figures in brackets represent percentage to total.

Source : Explanatory Memorandum on the Railway Budget, 1998-99.

STATEMENT 3 : DEVELOPMENTAL EXPENDITURE

Items	(Rs. crore)										
	1996-97 (Actuals)	1997-98 (Budget Estimates)	1997-98 (Revised Estimates)	1998-99 (Budget Estimates)	Variations				Compound Growth VIII Plan (1992-93 to 1996-97)	Variations	
					Col. 4 over Col. 3		Col. 4 over Col. 2			Col. 5 over Col. 4	
					Amount	Per cent	Amount	Per cent		Amount	Per cent
2	3	4	5	6	7	8	9	10	11	12	
Total	8309.5 @	8300.0 @	8403.0 @	9500.0 @	103.0	1.2	93.5	1.1	9.0	1097.0	13.1
<i>Of which:</i>											
a) Track Renewals	1596.5 (19.2)	1680.0 (20.2)	1680.0 (20.0)	1960.0 (20.6)	-	-	83.5	5.2	3.7	280.0	16.7
b) Rolling Stock	4331.8 (52.1)	4258.3 (51.3)	4066.0 (48.4)	4490.0 (47.3)	-192.3	-4.5	-265.8	-6.1	13.5	424.0	10.4
c) Electrification Projects	280.8 (3.4)	350.7 (4.2)	320.3 (3.8)	341.0 (3.6)	-30.4	-8.7	39.5	14.1	4.0	20.7	6.5
d) Workshop including Production Units	111.9 (1.3)	120.3 (1.4)	119.8 (1.4)	176.0 (1.9)	-0.5	-0.4	7.9	7.1	-5.5	56.2	46.9
e) New Lines	296.5 (3.6)	399.9 (4.8)	369.5 (4.4)	496.7 (5.2)	-30.4	-7.6	73.0	24.6	3.1	127.2	34.4
f) Lines Doubling	244.7 (2.9)	178.0 (2.1)	271.9 (3.2)	513.0 (5.4)	93.9	52.8	27.2	11.1	-3.0	241.1	88.7
g) Traffic Facilities	122.3 (1.5)	127.0 (1.5)	148.9 (1.8)	224.2 (2.4)	21.9	17.2	26.6	21.7	-7.5	75.3	50.6
h) Signalling and Telecommunication works	229.9 (2.8)	201.4 (2.4)	221.8 (2.6)	361.4 (3.8)	20.4	10.1	-8.1	-3.5	11.4	139.6	62.9
Financing											
a) Budgetary Support	1463 (17.6)	1831 (22.1)	2001 (23.8)	2200 (23.2)	170.0	9.3	538.3	36.8	-3.6	199.0	9.9
b) Market Borrowings	1954 (23.5)	2150 (25.9)	2520 (30.0)	2665 (28.0)	370.0	17.2	565.8	29.0	5.4	145.0	5.8
c) Internal Resources	4464 (53.7)	3419 (41.2)	3419 (40.7)	4400 (46.3)	0.0	0.0	-1044.5	-23.4	15.9	981.0	28.7
d) Private Investment	429 (5.2)	900 (10.8)	463 (5.5)	235 (2.5)	-437.0	-48.6	33.9	7.9	-	-228.0	-49.2
Total (a+b+c+d)	8310	8300	8403	9500	103.0	1.2	93.5	1.1	9.0	1097.0	13.1

@ Includes sum of Rs.1954 crore (Actuals,1996-97), Rs.2150 crore (Budget Estimates,1997-98), Rs.2520 crore(Revised Estimates,1997-98) and Rs.2665 crore (Budget Estimates,1998-99)proposed to be raised through market borrowings by Indian Railways Finance Corporation. In addition a sum of Rs.429 crore(Actuals,1996-97), Rs.900 crore(Budget Estimates,1997-98),Rs.463 crore(Revised Estimates,1997-98) and Rs.235 crore(Budget Estimates,1998-99),respectively,are proposed to be raised through Build-Own-Lease-Transfer (BOLT) and Own Your Wagon (OYW) Schemes.

Note: Figures in brackets represent percentages to total.
Source: Explanatory Memorandum on the Railway Budget,1998-99.

STATEMENT 4 : FREIGHT AND PASSENGER TRAFFIC OF RAILWAYS

Items	(Rs. crore)										
	1996-97 (Actuals)	1997-98 (Budget Estimates)	1997-98 (Revised Estimates)	1998-99 (Budget Estimates)	Variations				Compound Growth VIII Plan (1992-93 to 1996-97)	Variations	
					Col. 4 over Col. 3		Col. 4 over Col. 2			Col. 5 over Col. 4	
					Amount	Per cent	Amount	Per cent		Amount	Per cent
1	2	3	4	5	6	7	8	9	10	11	12
I. Freight Traffic (Million Tonnes)											
1. Coal	198.2 (48.5)	205.0 (47.7)	209.5 (48.7)	218.0 (48.4)	4.5	2.2	11.3	5.7	6.2	8.5	4.1
2. Raw Materials to Steel Plants	38.6 (9.4)	43.0 (10.0)	39.5 (9.2)	43.0 (9.6)	-3.5	-8.1	0.9	2.3	5.5	3.5	8.9
3. Pig Iron and Finished Steel for Steel Plants	11.8 (2.9)	15.0 (3.5)	12.5 (2.9)	14.0 (3.1)	-2.5	-16.7	0.7	5.9	0.7	1.5	12.0
4. Iron ore for Exports	10.3 (2.5)	11.0 (2.6)	11.0 (2.6)	12.0 (2.7)	-	-	0.7	6.8	-4.3	1.0	9.1
5. Cement	34.1 (8.3)	38.0 (8.8)	35.5 (8.3)	38.0 (8.4)	-2.5	-6.6	1.4	4.1	2.1	2.5	7.0
6. Food Grains	29.8 (7.3)	26.0 (6.0)	26.0 (6.0)	27.0 (6.0)	-	-	-3.8	-12.8	1.7	1.0	3.8
7. Fertilizers	21.2 (5.2)	25.0 (5.8)	27.0 (6.3)	27.0 (6.0)	2.0	8.0	5.8	27.4	2.7	-	-
8. Others	65.0 (15.9)	67.0 (15.6)	69.0 (16.0)	71.0 (15.8)	2.0	3.0	4.0	6.2	1.2	2.0	2.9
Total (1 to 8)	409.0	430.0	430.0	450.0	-	-	21.0	5.1	3.9	20.0	4.7
II. Passenger Traffic (Million)											
1. Suburban *	2578.3 (62.1)	2596.2 (61.0)	2657.9 (61.5)	2738.0 (61.3)	61.7	2.4	79.6	3.1	1.3	80.1	3.0
2. Non-Suburban	1574.8 (37.9)	1660.0 (39.0)	1662.0 (38.5)	1729.0 (38.7)	2.0	0.1	87.2	5.5	-0.8	67.0	4.0
Total (1 + 2)	4153.1	4256.2	4319.9	4467.0	63.7	1.5	166.8	4.0	0.5	147.1	3.4

* Excludes passengers on Metro Railway, Calcutta
Note : Figures in brackets represent percentages to total.
Source: Explanatory Memorandum on the Railway Budget, 1998-99.

STATEMENT 5 : INDIAN RAILWAYS - SELECTED PERFORMANCE INDICATORS (A STATISTICAL PROFILE)

Items	Unit	1980-81	1985-86	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	VIII Plan Average
1	2	3	4	5	6	7	8	9	10	11	12
1 Capital-at-Charge *	Rs. crore	6096.3	9078.1	16125.8	17712.5	20123.2	22620.6	24924.8	27712.9	30911.8	25258.7
2 Route Kilometres-Total	Kilometres	61240	61836	62367	62458	62486	62462	62660	62915	62725	62649.6
Of which: Electrified	Kilometres	5345	6517	9968	10653	11064	11260	11772	12306	13018	11884.0

3	Number of Stations		7035	7092	7100	7116	7043	7050	7056	7068	6984	
4	Staff @ (As on 31 March)	Thousands	1572	1613	1651	1654	1646	1625	1602	1587	1584	1608.8
5	Cost of Staff	Rs. crore	1316.7	2706.9	5166.3	5760.6	6562.4	7286.5	8076.9	9363.0	10514.8	8360.7
6	Number of Passengers Originating	Millions	3613	3433	3858	4049	3749	3708	3915	4018	4153	3908.6
7	Passenger Kilometres	Millions	208558	240614	295644	314564	300103	296245	319365	341999	357013	322945.0
8	Average Lead of Passenger Traffic	Kilometres	57.7	70.1	76.6	77.7	80.0	79.9	81.6	85.1	86.0	82.5
9	Average Rate per Passenger Kilometre	Paise	4.0	7.2	10.6	11.7	14.4	16.5	17.1	17.9	18.5	16.9
10	Originating Revenue-Earning Freight Traffic	Million Tonnes	195.9	258.5	318.4	338.0	350.1	358.7	365.0	390.7	409.0	374.7
11	Revenue-Earning Freight Traffic-Net Tonne Kilometres	Millions	147652	196600	235785	250238	252388	252411	249564	270489	277567	260483.8
12	Average Lead of Revenue-Earning Freight Traffic	Kilometres	754	760	741	714	696	681	663	675	661	675.2
13	Average Rate Per Tonne Kilometre	Paise	10.5	21.5	35.0	37.1	42.3	48.6	53.8	55.3	58.9	51.8
14	Revenue-Gross Receipts**	Rs. crore	2703.5	6590.7	12451.6	14113.7	16114.7	18363.3	20529.1	22813.8	24801.3	20524.4
15	Operating Ratio	Per cent	96.1	90.6	92.0	89.5	87.4	82.9	82.6	82.5	86.2	84.3
16	Surplus(+)/Deficit(-)	Rs. crore	-197.9	178.8	175.7	435.0	441.1	1806.1	2446.4	2870.6	2117.1	1936.3

* Capital-at-charge excludes Capital Outlay on Metropolitan Transport Projects and Circular Railway(Eastern Railway). Includes investment from Capital Fund since 1993-94.

** Includes Total Miscellaneous Receipts.

@ Excludes Casual Labour.

Note 1.Capital-at-charge means capital contributed by General Revenues for investment in Railways.
2.Operating Ratio means ratio of total working expenses to gross traffic receipts.

Source: 1.Indian Railways Year Book, 1996-97.
2.Indian Railways Annual Report and Accounts, 1996-97.